CONSTRUCTION PROJECT DELIVERY SYSTEMS:

What They Really Mean, and How They Really Work

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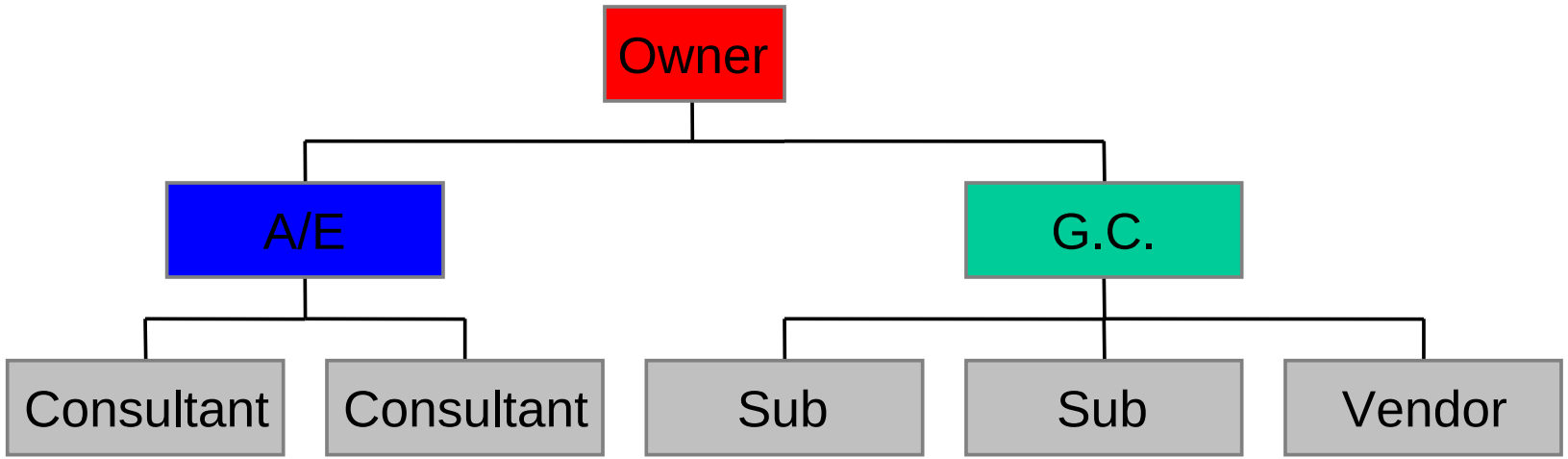
Traditional Tri-Partite Structure



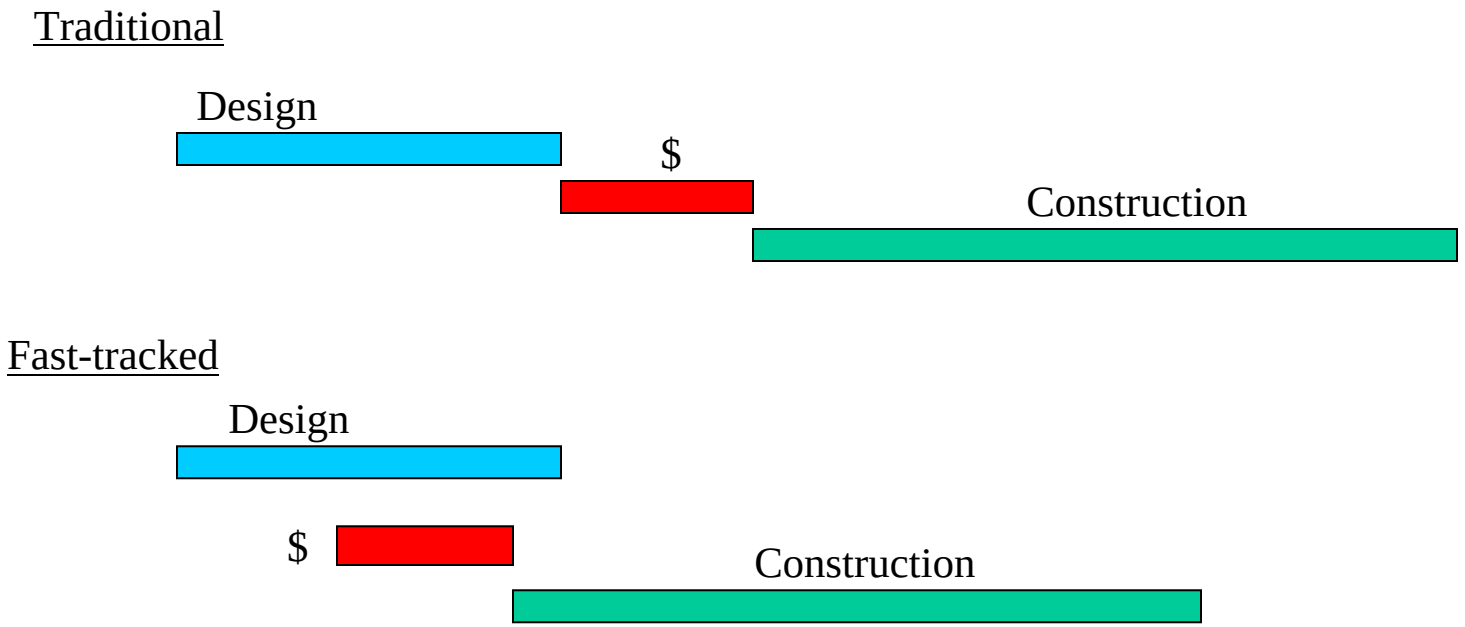
Advantages

- It is common, so the marketplace is comfortable with it.
- Plans are usually complete prior to bidding or final pricing.

Disadvantages

- Often little contractor input during design.
- Slower delivery time due to back-to-back phasing.
- Often adversarial relationship between G.C. and A/E.
- Price and schedule information obtained late.

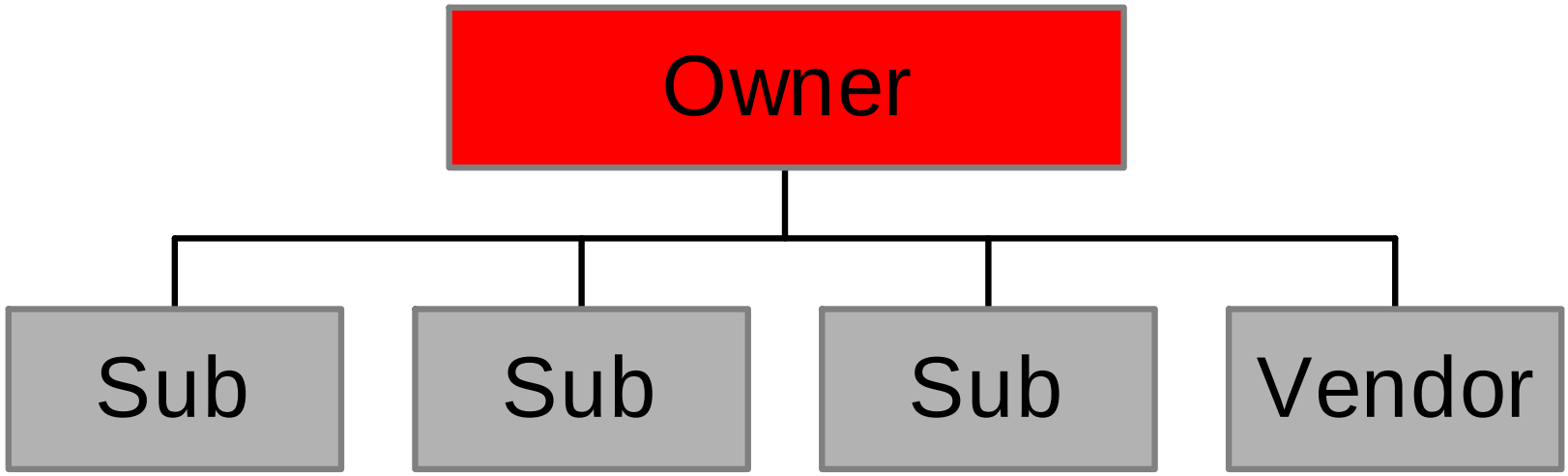
Traditional vs. Fast Tracking



Advantage: Delivery Speed

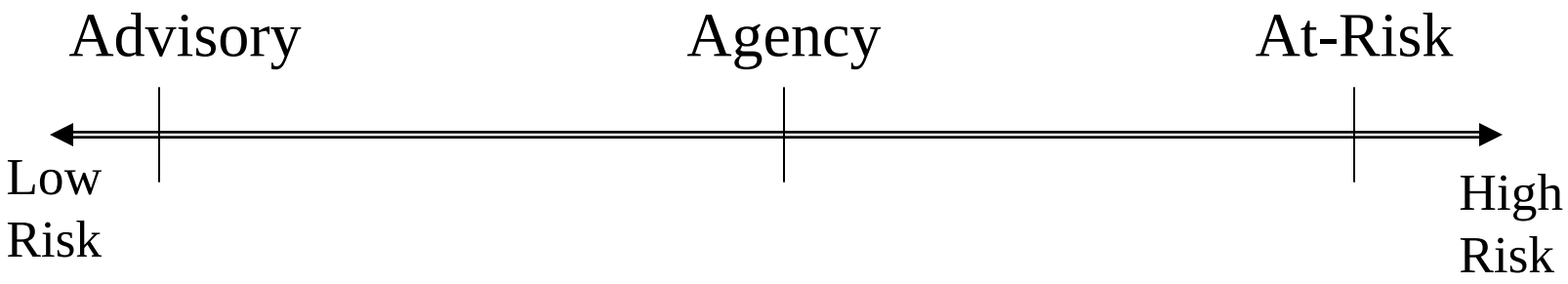
Disadvantage: Loss of Cost Control

Multiple Prime Trade Contractors



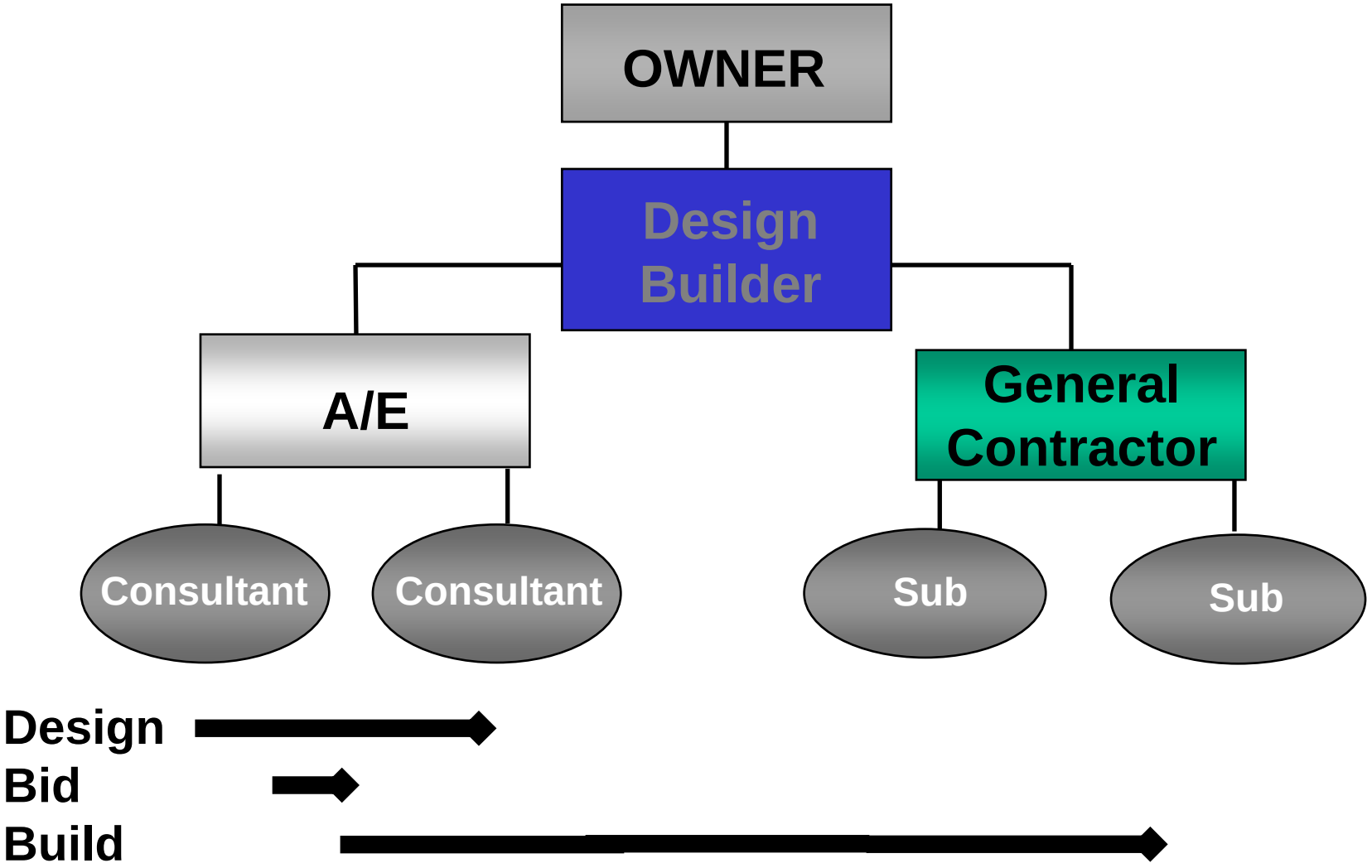
- No role for GC.
- Owners rarely able to manage and coordinate project successfully.
- Owner liable for management and coordination problems.

Risk Spectrum of Construction Management



- Most useful element of CM: Involvement during design.
- At-Risk CM similar to General Contractor
- Advisory CM is another layer of consulting.
- Agency CM is coordination and management for a fee.

Classical Design Build



Types Of Design-Build Relationships

- Integrated Company
- Contractor Prime, A/E Sub
- A/E Prime, Contractor Sub
- A/E Prime, Multiple Trade Subs
- Design-Builder Prime, A/E and Contractor Each Subs
- Joint Business Venture by A/E and Contractor

What's Different With Design-Build

- Speed of project delivery.
- Single point responsibility (for Owner).
- Greater and earlier cost certainty.
- Better communication of design intent.
- Less litigation and disputes.
- Greater control of information by design-build team.
- Negotiated pricing.
- A/E and GC not adversarial.
- Need to learn new relationships.

A New Paradigm for Providing Services

	Traditional	Design-Build
1.	A/E focuses on its deliverables	Design by system with "looping" feedback with provision of out-of-sequence information
2.	Defensive detailing of plans	Informal communication of design intent
3.	A/E fully responsible for plans	Contractor checks plans for "facial" problems
4.	A/E's try to minimize design alternatives	Design-build team explores cost-saving alternatives
5.	Check cost when CD's nearly complete	Cost input throughout design process